

**Maine Revised Statutes**  
**Title 5: ADMINISTRATIVE PROCEDURES AND SERVICES**  
**Chapter 425: PARTICIPATING LOCAL DISTRICTS**

**§18205. INTERNAL REVENUE CODE QUALIFIED PLAN COMPLIANCE**

The Participating Local District Retirement Program established in this chapter is subject to the following requirements. [ 2009, c. 474, §27 (NEW) . ]

**1. Vesting.** In compliance with the Code, Section 401(a)(7), a member is 100% vested in the member's contribution account at all times.

[ 2009, c. 474, §27 (NEW) . ]

**2. Use of forfeitures of benefits.** In compliance with the Code, Section 401(a)(8), any forfeitures of benefits by members or former members may not be used to pay benefit increases, but must be used to reduce unfunded liabilities.

[ 2009, c. 474, §27 (NEW) . ]

**3. Benefits.** In compliance with the Code, Section 401(a)(9), benefits must be paid in accordance with a good faith interpretation of the requirements of the Code, Section 401(a)(9) and the regulations in effect under that section, as applicable to a governmental plan within the meaning of the Code, Section 414(d).

[ 2009, c. 474, §27 (NEW) . ]

**4. Application of annual compensation limits.** In compliance with the Code, Section 401(a)(17), applicable annual compensation limits must be applied for purposes of determining benefits or contributions due to the retirement system.

[ 2009, c. 474, §27 (NEW) . ]

**5. Rollovers.** In compliance with the Code, Section 401(a)(31), a member may elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the member in a direct rollover.

[ 2009, c. 474, §27 (NEW) . ]

**6. Qualified military service.** Effective December 12, 1994, contributions, benefits and service credit with respect to qualified military service are governed by the Code, Section 414(u) and the federal Uniformed Services Employment and Reemployment Rights Act of 1994 and, effective January 1, 2007, the Code, Section 401(a)(37).

[ 2009, c. 474, §27 (NEW) . ]

**7. Additional requirements.** In compliance with the Code, Section 415, the member contributions paid to and retirement benefits paid from the Participating Local District Retirement Program must be limited to the extent necessary to conform to the requirements of the Code, Section 415 for a qualified pension plan.

[ 2009, c. 474, §27 (NEW) . ]

**8. Compliance with Section 503(b).** Effective July 1, 1989, the board may not engage in a transaction prohibited by the Code, Section 503(b).

[ 2009, c. 474, §27 (NEW) . ]

**9. Rules.** The board shall adopt rules necessary to maintain the qualified pension plan tax status of the Participating Local District Retirement Program under the Internal Revenue Code as required for governmental defined benefit plans defined in the Code, Section 414(d). Rules adopted under this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

[ 2009, c. 474, §27 (NEW) . ]

#### SECTION HISTORY

2009, c. 474, §27 (NEW) .

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